



Founding Partner
of ETEnergyworld

Power » Thermal Power Tariff slabs renewable energy Common power market Arvind Subramanian

Common power market needed

[Home](#) | [News](#) | [Features](#) | [Interviews](#) | [International](#) | [Economy & Policy](#) | [Reports & Data](#) | [Energy TV](#) | [Webinars](#)

Oil & Gas Coal **Power** Renewable Companies Policy

TNN | November 08, 2017, 08:06 IST

Share 1

G+ Share

Share

Tweet



A A



Newsletter

Subscribe ETEnergyworld Newsletter

50000+ Industry Leaders already read i

Your Email

It's Free

Join Now!

Most Read

This Week

This Month

NTPC Explosion: Executives' body alleges "selective



NEFI is pained to observe that different

Govt sets up enquiry committee...

PESB recommends BV Rama ...

Power ministry constitutes inde...

20 dead, scores suffer burns as...

Most Read in Power



Chennai: India must move into a single **power** market for lowering tariffs and better performance by distribution companies, said **Arvind Subramanian**, chief economic adviser to the Union finance ministry, at a lecture on 'Cooperative Federalism to Foster Reform: The case of the power sector' on Tuesday.

"At present, the power market is balkanised with states

having several **tariff slabs**. There is also the problem of balancing renewable and thermal units. Power is also not under the Goods and Services Tax regime. Thus even though it is available at a lower cost, it is not passed on to the consumers as many states levy cross subsidy. Cross subsidy hits industrial growth,” said Subramanian.

In Bihar, there are about 100 power tariff slabs, including separate tariffs for day and night, he said. Given the strength of cooperative federalism, a common market should be created for power sector to make electricity available at the same tariff across the country, he said.

Owing to availability of renewable power at lower cost on account of subsidies being given to the installations, discoms reduce power purchase from thermal units. As a result, thermal units slide. On one hand, the Centre releases subsidy for renewable power plants to reduce the cost of power for discoms and on the other it has to fund banks that are saddled with NPAs of poorly performing **thermal power** plants, he said. Till a balance was achieved between the renewables and thermal units, the government should lower the subsidy for renewable power plants, he said.

Though power comes under the concurrent list, states only manage the sector, he said. Centre has powers to prevent discoms from levying cross subsidy. Regulators have to work out ways to introduce a common tariff for the country, he said. Subramanian recommended introduction of direct transfer of benefits to beneficiaries’ accounts in the power sector also.

This Week

This Month



campaign” at work

**NTPC
Explosion:
Executives’
body alleges
“selective**



accident

**Govt sets up
enquiry
committee to
probe NTPC
Unchahar**



boiler blast

**Power ministry
constitutes
independent
committee to
probe NTPC**



**20 dead, scores
suffer burns as
NTPC boiler
explodes in UP**



**Coal clinkers
made the
Unchahar boiler
problem worse**

Share 1

G+ Sha

Share

Tweet



Newsletter